

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, AUGUST 19, 2008**, upon the application of **CHESAPEAKE OPERATING, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Hosston Formation, Reservoir B**, in the Bethany-Longstreet Field, Caddo Parish, Louisiana.

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir B.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate the Chesapeake Operating, Inc. - Sellers et al 22 No. 1 Well as the unit well for the proposed unit.
4. To designate Chesapeake Operating, Inc. as the operator of the proposed unit.
5. To provide that any future well drilled to the Hosston Formation, Reservoir B, within or outside of the proposed unit, should be located no closer than 330 feet from any unit boundary and no closer than 660 feet to any other well completed in, drilling to, or for which a permit has been granted to drill to said reservoir.
6. To permit Chesapeake Operating, Inc. to combine downhole production from the Hosston Formation, Reservoir B, with production from the Cotton Valley Formation, Reservoir B, in the wellbore of any existing or future wells located in HOSS RB SUA and CV RB SUA, in which the interests in these two units are identical.
7. To provide that the Commissioner of Conservation should be authorized to reclassify the Hosston Formation, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
8. Alternatively, in the event the Commissioner of Conservation determines that the proposed unit should be included in Reservoir A, rather than Reservoir B as requested by Applicant, then in that event:
 - (a) To designate the proposed unit as HOSS RA SU100.
 - (b) To approve the Chesapeake Operating, Inc. - Sellers et al 22 No. 1 Well as the unit well for HOSS RA SU100 at the location shown on the plat submitted with the application, which is in exception to the spacing provisions of Office of Conservation Order No. 289, effective October 1, 1954.
 - (c) To approve the downhole commingling request in paragraph 6 hereof with the proper nomenclature.
9. To consider such other matters as may be pertinent.

The Hosston Formation was initially defined in Order No. 289, effective October 1, 1954, and was further defined in Order No. 289-A-g-2, effective April 14, 1977.

Plats are available for inspection in the Office of Conservation in **Baton Rouge and Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

7/9/08;7/14/08

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.